

ASX Announcement / Media Release

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Syrah reports 2023 full year results

ANNUAL REPORT FOR THE FULL YEAR ENDING 31 DECEMBER 2023

Syrah Resources Limited (ASX: SYR) ("Syrah" or "Company") releases its Annual Report for the full year ended 31 December 2023.

Key Highlights

- Strong health and safety record with Syrah Group Total Recordable Injury Frequency Rate ("TRIFR") of 1.2
- Revenue of US\$48 million, gross loss of US\$25 million and net loss after income tax of US\$85 million for the full year
- Advanced expansion of the Vidalia AAM facility in Louisiana, USA to a 11.25ktpa AAM production capacity ("Vidalia Initial Expansion") towards completion, with ~US\$200 million capitalised in the project as at 31 December 2023 and AAM production commencing after year-end
- Definitive feasibility study ("DFS") on the expansion of Vidalia to a 45ktpa AAM production capacity ("Vidalia Further Expansion") completed, confirming a technically viable and financially robust project
- Commercial memorandum of understanding executed with Samsung SDI to evaluate AAM supply from Vidalia
- Annual graphite production of 94kt at Balama Graphite Operation ("Balama") in campaign operations
- Lower annual graphite sales to third-party customers of 85kt at a weighted average price of US\$582 per tonne (CIF), which included four breakbulk shipments from Pemba to China
- Multi-year binding offtake agreements for Balama natural graphite fines executed with Graphex Group and Westwater Resources in 2023, and Posco Future M in March 2024
- Full operations of Balama's 11.25 MWp solar photovoltaic array combined with an 8.5 MW/MWh battery energy storage system achieved
- Independent third-party audit of Balama underway under the Initiative for Responsible Mining Assurance ("IRMA") Standard for Responsible Mining
- US\$98 million loan advances completed with the US Department of Energy ("DOE") to support funding of the Vidalia Initial Expansion project
- US\$150 million conditional loan commitment with US International Development Finance Corporation ("DFC") for Balama
- A\$150 million in new convertible notes with major shareholder AustralianSuper for Vidalia Initial Expansion capital cost escalation, working capital and general corporate purposes
- Positive momentum continued in Syrah's key electric vehicle ("EV") end market as global EV sales increased 37% in 2023, versus 2022, to ~15 million units¹.

¹ Source: GlobalData.

Syrah achieved critical development milestones in 2023, amid important political and policy developments, and structural market flux, and these have created great opportunities in the coming years considering Syrah's position in the market – a position that has been created with significant capital investment, years of operational experience, deep customers relationships, and intellectual property development. However, 2023 was a challenging year in sales, operations and cash flow, as Syrah demonstrated agility in its Balama operations, considering volatile sales demand conditions and weaker prices. By designing and fully implementing a campaign operating mode to reduce operating cash-out flows and maintain market presence, Syrah sought to navigate an uncertain natural graphite market constrained by synthetic graphite active anode material (“AAM”) overcapacity, and the implementation of China export licence controls both suppressing demand. Syrah made very strong progress in our downstream strategy to become a vertically integrated producer of natural graphite AAM with the continuing development of the Vidalia Initial Expansion project.

Syrah's performance in Health, Safety and Environment in 2023 was excellent, with campaign plant operations at Balama, the commissioning of the solar and battery system at Balama, and as the Vidalia Initial Expansion transitioned through peak staffing and people hours to demobilisation of major contractors from site. The Company was successful in operating safely and driving Critical Risk Management Standards forward, setting a new baseline for future operating safety. The Total Recordable Injury Frequency Rate for the Syrah Group was 1.2 at year end and no lost time injuries were sustained to our workforce during the year.

The Company's commitment to local employee development at Balama and Vidalia is very strong. Of more than 1,250 direct and contractor employees at Balama, 97% are Mozambican and 42% are from the local host communities surrounding Balama as at year end. Of more than 100 direct employees at Vidalia, 59% are from Louisiana and 75% are from the local “Miss-Lou” region. Syrah has a deep commitment to localisation and a demonstrated history of skills and career development through our teams, with opportunity arising through our investments and the rapidly evolving position in global graphite product markets. The Company has invested significantly in training and development since 2016, and both low turnover and high employee satisfaction evidence the importance of the time and resource allocated.

Syrah is committed to maintaining the highest standards of conduct in all business activities and promoting a culture of integrity, transparency and corporate social responsibility. To achieve this, we pursue alignment with leading practice ESG frameworks including the International Council on Mining and Metals (“ICMM”) Mining Principles, the United Nations Sustainable Development Goals, the Global Reporting Initiative, and the International Finance Corporation Performance Standards on Environmental and Social Sustainability. To further strengthen its differentiated ESG performance, the Company is well progressed in an independent third-party audit of Balama against the Initiative for Responsible Mining Assurance (“IRMA”) Standard for Responsible Mining, which is one of the most comprehensive and rigorous mining certification processes in the world. Syrah's pursuit of an IRMA certification is a first across the global graphite industry.

Balama operations were hugely impacted by China's dominance of, and Government policy intervention in, the synthetic graphite, natural graphite and AAM markets throughout 2023, impacting Chinese spherical and anode customer demand for Syrah's products. These unanticipated impacts resulted in Balama production and natural graphite sales in 2023 being significantly lower than in 2022. It is essential for the Company to maintain operating capacity and market presence, whilst managing cash, for natural graphite supply to Vidalia and in readiness for improved Chinese and international customer demand. Matching Balama sales and production for a cash flow breakeven position is an urgent objective for the Company. However, Balama unit costs trended higher with lower production constraints and operating cost pressures. Syrah is very confident of a low cost operation at Balama as future sales volumes drive increased utilisation, with the solar and battery system now operating and with State-based diesel prices continuing to moderate.

Syrah made major progress in its medium-term natural graphite sales strategy to balance integrated consumption through Vidalia, with an increasing proportion of sales volume ex-China, and residual sales volumes to China. Several long-term offtake agreements are in place with incumbent and new entrant customers developing ex-China anode facilities. These commercial sales arrangements with ex-China anode customers and Government policy developments highlight the strategic importance of Syrah to the global battery and anode supply chain, considering its offering of large volume, reliable source of natural graphite supply outside of China, which is significantly differentiated in quality and ESG standards in production. Whilst it has taken some time, these developments represent a turning point in the structure of global natural graphite and AAM markets.

Commencing production from the 11.25ktpa AAM Vidalia facility in February 2024 was a huge step forward in Syrah's evolution making it the first commercial-scale, vertically integrated natural graphite AAM supplier outside China. The

Company's downstream integration is the culmination of over seven years of technology development, feasibility, procurement, engineering, construction and commissioning work undertaken by the Syrah team and its service providers. The Company achieved this important milestone with a strong focus on safety, capital cost controls and schedule and support from City of Vidalia, the State of Louisiana, the US Department of Energy and the local, state and federal authorities. Syrah looks forward to positively contributing to the communities around Vidalia and the Company's stakeholders in the US for many years to come. The Vidalia operation is strategic for both Syrah and the North American battery supply chain and is the foundation of the Company's downstream growth strategy.

Momentum towards decarbonisation of the global transport sector via electrification of vehicles continued in 2023. EV markets exhibited remarkable growth throughout the year, with global EV sales increasing 37% year on year to 15 million units and monthly global EV sales approached 2 million units in December 2023. The global graphite and anode market is in a state of structural flux – realigning along geopolitical lines, with downstream supply chain participants focused on security of supply. Syrah's strategy is supported by strong EV-driven demand globally, recognition of the importance of independent natural graphite AAM critical mineral supply, and differentiation in terms of emissions intensity of production and provenance of supply. The importance of Balama and Vidalia is reinforced by China's implementation of export licensing controls on natural and synthetic graphite products, and US Treasury guidance on the definition of Foreign Entity of Concern ("FEOC") governing eligibility for the consumer tax credit when purchasing a new electric vehicle, as legislated by the Inflation Reduction Act.

Syrah is committed to building on its achievements and capitalising on its competitive advantage in 2024 to cement its leading position in the global natural graphite and AAM markets. The Company's core focus in 2024 is:

- Improving Balama's sales composition to achieve higher and more stable utilisation of Balama's production capacity, reducing unit costs;
- Progressively increasing throughput of its 11.25ktpa AAM Vidalia facility whilst increasing process consistency, ensuring product quality and maintaining safety;
- Completing qualification of the 11.25ktpa AAM Vidalia facility processes with target customers;
- Commencing commercial AAM sales from the 11.25ktpa AAM Vidalia facility including under an offtake agreement with Tesla, Inc;
- Progressing offtake agreements and DOE loan financing process, and preparing the Vidalia Further Expansion project for FID readiness; and
- Continuing to develop options to further accelerate capacity expansion in the graphite and anode supply chain.

The Company's focus is on preserving control of assets, generating funding options to accelerate shareholder value creation, and continuing to progress development. Syrah is uniquely positioned to benefit from the electrification of the vehicle fleet, increasing EV adoption across global consumer markets, battery supply chain development, focus on critical battery mineral supply in the United States and Europe, and more favourable natural graphite market conditions. With the support of the US Department of Energy and US International Development Finance Corporation, Mozambican stakeholders, shareholders and increasingly, ex-China customers, the Company is pursuing multiple years of high margin, market-driven benefit. With ex-China AAM capacity growth, the need for Balama natural graphite volume grows, and Vidalia's continuing development provides opportunity into very strong US demand for IRA compliant non-FEOC product.

Syrah's leadership and teams across the business continue to forge the path for ex-Asia natural graphite and AAM supply, demonstrating commitment, fortitude, and long-term vision. Operational, commercial, and functional teams are the critical element to future success, and the leadership team is committed to a culture which enables growing shareholder value through Syrah's unique and advantaged position at both Balama and Vidalia.

Results Summary

Period ended (US\$ million)	31 Dec 2023	31 Dec 2022
Revenue	47.7	106.2
Cost of sales	(72.5)	(92.9)
Total other expenses including inventory write downs	(45.3)	(39.7)
Net loss before net finance expenses and income tax	(70.1)	(26.4)
Net loss after income tax	(85.3)	(26.8)
Net cash inflow/(outflow) from operating activities	(59.9)	(31.2)
Net cash inflow/(outflow) from investing activities	(138.6)	(103.5)
Net cash inflow/(outflow) from financing activities	195.6	172.3

Balance ended (US\$ million)	31 Dec 2023	31 Dec 2022
Cash and cash equivalents	84.9	90.4
Total assets	700.0	570.0
Total liabilities	346.4	131.8
Net assets	353.6	438.2

This release was authorised on behalf of the Syrah Board by

Shaun Verner, Managing Director

Investor Relations Contact:

Viren Hira

T: +61 3 9670 7264

E: v.hira@syrahresources.com.au

Media Enquiries Contact:

Nathan Ryan

T: +61 420 582 887

E: nathan.ryan@nwrcommunications.com.au

About Syrah

Syrah (ASX code: SYR) is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.

Forward Looking Statement

This document contains certain forward looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "targets" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Forward looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This document contains such statements that are subject to risk factors associated with the mineral and resources exploration, development and production industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to the following risks: dependence on commodity prices, availability of funding, impact of inflation on costs, exploration risks, including the risks of obtaining necessary licences and diminishing quantities or grades of reserves, risks associated with remoteness, environmental regulation risk, currency and exchange rate risk, political risk, war and terrorism and global economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur. Actual results, performance or achievement may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. The forward looking statements in this document speak only as of the date of this document. Subject to any continuing obligations under applicable law or any relevant ASX listing rules, the Company disclaims any obligation or undertaking to provide any updates or revisions to any forward looking statements in this document to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of Syrah since the date of this document. About Syrah Resources Syrah Resources (ASX code: SYR) is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.